

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3495-02  
Bill No.: SB 888  
Subject: Public Service Commission: Utilities  
Type: Original  
Date: April 1, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Natural Resources** noted that they do not issue any permits under the Missouri Water Resource Law (sections 640.400 to 640.435, RSMo) and, therefore, would not anticipate any impact from the proposed 640.401.

Officials of the Department of Economic Development's **Public Service Commission** stated that they would not anticipate many cases involving rate regulated utilities for construction or lease of generation units which meet the criteria of this proposal and, therefore, would not request additional resources at this time.

Officials of the **Department of Economic Development's Office of the Public Counsel** stated that the time frame for cases which meet the criteria for this proposal would be three to five months compared to eleven months for a typical "file and suspend" rate case. Office of the Public Counsel officials estimate two case per year and would request consulting fees of \$40,000 per case.

**Oversight** assumes that since the Public Service Commission has asked for an additional Administrative Law Judge in proposals which they thought might cause an additional major rate case per year, the Commission is not anticipating that many case per year. The Office of the Public Counsel could request money for consultant fees for cases as a budget decision item or as a supplemental budget item as cases arise.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### DESCRIPTION

This proposal would, other provisions of law notwithstanding, require the Public Service Commission to specify ratemaking principles in advance of construction or leasing in this state of electric generating facilities of three hundred megawatts or more.

DESCRIPTION (continued)

The Commission would not be limited to traditional ratemaking principles or cost recovery mechanisms in deriving the applicable principles. The ratemaking principles would be determined in a contested case proceeding.

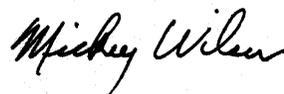
Affected utilities would, after the entry of the order specifying the ratemaking principles, have the option to construct, lease or withdraw applications for certificates. The principles would not be binding on subsequent rate cases.

The proposal would also require the Department of Natural Resources approve or deny permit applications within 180 days of receipt.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Economic Development  
Public Service Commission  
Office of the Public Counsel  
Department of Natural Resources



Mickey Wilson, CPA  
Acting Director  
April 1, 2002